

CPM Project

WORKFORCE PLANNING

FOR

SC DEPARTMENT OF MENTAL HEALTH NURSING

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Human Resource Services

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Introduction

The Healthcare Industry is one of the fastest growing industries in the United States, according to the United States Department of Labor, Bureau of Labor Statistics (BLS). A major factor that has led to the growth of the Healthcare Industry is the Affordable Care Act, which expands insurance coverage to millions of Americans. This alone will put a greater demand on the Healthcare Industry.¹ One of the sectors in the Health Care Industry that is rapidly growing is the nursing industry. However, with the growth of the nursing industry, it is approaching a bubble that will burst by 2022, thus causing a decrease in the Healthcare Industry. This bubble, as we know it today, is the Baby Boomer generation. In the 1970s and 1980s the workforce saw a great increase in the workforce due to the entrance of the Baby Boomers². The labor market peaked in late 1999 and early 2000, and is now in a downward fall and the leading pressure of this fall is the Baby Boomer generation. By 2022, Baby Boomers, who are age 55 and up and who make up 39.8% of the workforce in the United States, are transitioning from the workforce to retirement.³ With the retirement of this generation, a vast amount of the institutional knowledge will transition from organizations to retirement. This, in turn, will leave a gaping hole in institutional knowledge within these organizations.

As we look at the current workforce in the United States, we can see that there are three additional generations in the workforce besides Baby Boomers, who currently make up 34% of the workforce. These three generations are: 1) Matures (born prior to 1945) who make up 9% of the workforce; 2) Generation X (born 1965 – 1980) who make up 23% of the workforce; and 3)

¹ Overview of projections to 2022, *Monthly Labor Review*, December 2013.

<http://www.bls.gov/opub/mlr/2013/article/overview-of-projections-to-2022.htm>

² Mitra Toossi, "Labor force projections to 2022: the labor force participation rate continues to fall," *Monthly Labor Review*, December 2013.

³ Boesler, Matthew, "Here's What's Really Going On With Baby Boomers And The Labor Force," (February 2014). <http://www.businessinsider.com/baby-boomers-are-retiring-2014-2#ixzz3QeVQRj3N>

Millennials (born 1980 – 1994) who make up 25% of the workforce⁴ (*Appendix A*). A fifth generation making up the remaining 10 % of the workforce, called Gen Z (born 1995 and after), is beginning to enter the workforce, but they have very little impact on the current workforce. This is the first time in the history of the United States that five generations make up the workforce.

The first wave of Baby Boomers to turn 65 was in 2011 and the last wave of Baby Boomers turning 65 will be in 2029. As they begin to enter retirement, the workforce will begin to shift from Baby Boomers to Millennials. Even though Generation X currently outnumbers the Millennials in the workforce, employers will be turning to Millennials to fill in the gap the Baby Boomers leave. The reason for employers turning to Millennials instead of Generation X is because Millennials is currently the fastest growing generation. As Baby Boomers retire and Millennials increase in the workforce, employers will have to determine how to deal with this shift in generations and how to retain, recruit and motivate a generation younger than baby boomers.

As we transition from the national workforce to the South Carolina workforce, we see that the South Carolina workforce slightly mirrors the federal workforce. Specifically, the Matures make up 14% of the workforce, the Baby Boomers make up 39% of the workforce, Generation X make up 17% of the workforce, and Millennials make up 30% of the workforce⁵ (*Appendix B*). Since South Carolina's workforce mirrors the federal workforce, employers will be turning to Millennials to replace the retiring Baby Boomers due to its growth.

⁴ Labor Force Statistics from the Current Population Survey, December 2014.

<http://www.bls.gov/web/empsit/cpseea13.htm>

⁵ Suburban Stats: Population Information and Statistics From Every City, State and County in the US.

<https://suburbanstats.org/>

Transitioning to the nursing workforce in South Carolina, the generations take a different turn in the makeup of the workforce. The Matures makes up 5% of the nursing workforce, the Baby Boomers makes up 36% of the nursing workforce, Generation X makes up a whopping 38% of the nursing workforce, and the Millennials makes up 21% of the nursing workforce⁶ (*Appendix C*). With Generation X being the largest nursing workforce and the Baby Boomers being the second largest, South Carolina's nursing workforce will be hit with a workforce that is retiring approximately 60% of the nursing workforce in the next ten to twenty years.

Coming closer to home, SCDMH nursing workforce does not exactly mirror South Carolina and the national workforce. Two of the generations closely mirror South Carolina and the national workforce while the other two go in different directions. However, SCDMH's nursing workforce slightly mirrors the South Carolina nursing workforce. In comparison to the South Carolina nursing workforce, the Matures remains relatively the same at 6% of SCDMH nursing workforce, the Baby Boomers takes a major leap to 59% of SCDMH nursing workforce, Generation X drops to 29% of SCDMH nursing workforce, and the Millennials takes a major drop to 6% of SCDMH nursing workforce. SCDMH nursing is no exception to the Baby Boomers retirement.

With the Baby Boomers nurses entering retirement in the next ten to twelve years, SCDMH nursing has to prepare now to lessen the transition of the Baby Boomers nurses and adjust to a much younger workforce with different work ethics and values. The Millennials nurses are tech-savvy and multi-tasking, they seek employability and flexible work schedules and the opportunity to make a difference, and they are accepting of other cultures and lifestyles and will expect leaders to be competent and lead.

⁶ South Carolina Nurse Supply and Demand Models 2008 – 2028 Technical Report.
<http://officeforhealthcareworkforce.org/docs/Nurse%20Supply%20Model%20Technical%20Report%20final.pdf>

Problem Statement

The South Carolina Department of Mental Health's (SCDMH) mission is to support the recovery of people with mental illness. SCDMH gives priority to adults, children, and their families affected by serious mental illnesses and significant emotional disorders. In order to accomplish its mission, SCDMH is divided into three divisions: 1) Division of Administrative Services; 2) Community Mental Health Centers, which are facilities located throughout the state in local communities; and 3) Division of Inpatient Services, which has four (4) inpatient facilities (hospitals) and one (1) nursing home located in the Columbia area, one inpatient facility and one veteran nursing home (contracted to a private entity) located in the upstate area, and one veteran nursing home located in Walterboro, SC (contracted to a private entity).

SCDMH has the responsibility of providing nursing care to all clients in the Community Mental Health Centers and to patients and residents in the Division of Inpatient Services. To do this, SCDMH must hire, train and retain qualified employees. The current makeup of the SCDMH nursing workforce meets this responsibility, but it will soon fall short if the nursing workforce does not increase in Millennials. This project as it relates to SCDMH is looking at the hiring, training and the retention of qualified licensed practical nurses and registered nurses. As such, I decided to focus on the workforce planning for SCDMH nursing.

Data Collection

In order for me to determine what data I needed to collect, I had to focus on the following items:

1. What is the total number of nurses in South Carolina?
2. What is the average age of nurses in South Carolina?

3. What is the total number of nurses in SCDMH?
4. What percentage of nurses, based on age, is near retirement in SCDMH?
5. What is the turnover rate of nurses in SCDMH?
6. What retention strategies are in place for nursing?
7. What recruitment strategy does the nursing division have?
8. What career development plan is there for nurses?

Obtaining the data information I needed was relatively easy. To determine the total number of nurses in South Carolina, which is 55,353, I reviewed the American Association of College of Nursing, State Snapshot: South Carolina Nursing Education at a Glance (Baccalaureate and Graduate)⁷. This not only provided the needed information, but it also provided an insight into the future of nursing, which is addressed later. Obtaining the age of nurses in South Carolina was relatively easy as well. I obtained this information from the South Carolina Nurse Supply and Demand Models 2008 – 2028 Technical Report. As to the number of nurses in SCDMH, the average age of nurses in SCDMH and the turnover rate of nurses in SCDMH, the needed information needed for these were obtained from the South Carolina Enterprise Information System. With respect to the turnover rate of nurses in SCDMH, I knew the report would have included reasons other than retirement, but I know that all terminations would be helpful in determining the percentage of turnover that was due to retirement.

The information regarding nurse retention, recruitment and career development could not be obtained from reports; therefore, I knew that I would have to interview nursing leadership. To capture this information, I used the following questions:

⁷ "American Association of College of Nursing, State Snapshot." (2014). http://www.aacn.nche.edu/government-affairs/resources/South_Carolina1.pdf

Retention

1. What staff development strategies do you have or will have/implement?
2. What strategies are in place to meet nurses' individual needs?
3. What technology changes are being made that make work more efficient?
4. Are nurses eligible for the SCDMH Tuition Assistance Program?

Recruitment

5. What e-recruitment strategy is being used other than NEOGOV?
6. What recruitment strategies do you have in place with schools?

Career Development

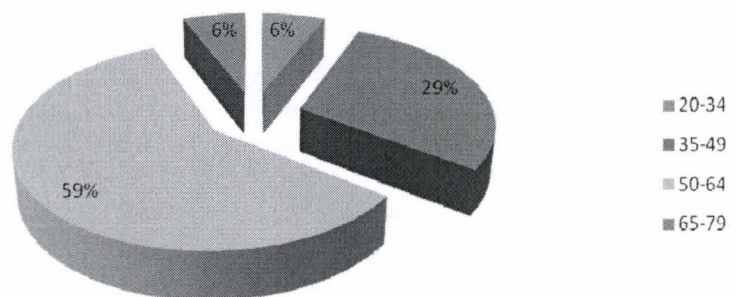
7. Are there career development programs in place for nurses?
8. Are eligible nurses and nurse assistants utilizing SCDMH Tuition Assistance Program?

Data Analysis

The SCDMH has 385 nurses on payroll. The demographic data revealed that the average age of nurses in SCDMH is 52.07. I

also reviewed the average age of nurses according to generations. As you can see from the chart to the right, 59% of all SCDMH nurses are Baby Boomers and the next largest generation, at 29%,

Total % of SCDMH Nurses by Generations



is Generation X. The mere fact that 59% of SCDMH nurses can retire in the next thirteen years

is quite alarming. On top of that, Generation X nurses can completely retire in the next twenty years. Added together, that is 88% of SCDMH nurses that can retire in the next twenty years. This shows that SCDMH is working with an aging nursing workforce.

A more detail review of the average age of SCDMH nurses revealed the following information about the average age of nurses in all pay bands occupied by nurses:

Pay Band	Average Age
Band 4	53.85
Band 5	52.09
Band 6	49.45
Band 7	52.48
Band 8	51.54
Band 9	52.07

Reviewing the average age of all pay bands occupied by nurses revealed that on average, each pay band will have nurses entering retirement in the next thirteen years. If the nurses in a lower pay band, let's take pay band seven for example, are promoted to band eight, the average age would be 52.48, which leaves approximately thirteen years before the nurses are eligible for retirement. Clearly, this shows that workforce planning must take place and it must take place now, rather than soon, later or next year.

When reviewing the ages of nurses at SCDMH, I also reviewed the number of nurses and the age of nurses in South Carolina as well. As stated above, there are 55,353 nurses in South Carolina. The age, or generations, of nurses in South Carolina revealed that 79% of nurses (Generation X, Baby Boomers and Matures) will be eligible (Baby Boomers are entering retirement now and Matures are already eligible for retirement) to retire within the next twenty years (*Appendix C*). This data is important as it shows that if SCDMH continues to rely on Baby Boomers and Generation X to fill nursing positions, SCDMH will not be able to fill these

positions with nurses in the South Carolina nurse workforce and thus, it will not be able to accomplish its mission.

In reviewing SCDMH nurses that are eligible for retirement, a review of the SCDMH nurse turnover rate was reviewed as well. A review of the turnover rate for SCDMH nurses for fiscal year 2013 – 2014 revealed that the turnover rate was 23.09%, or 79 nurses who's employment ended in fiscal year 2013 – 2014. In reviewing the turnover report, I realized that 43% of the turnover rate was due to personal reasons. Even though this 43% is not due to retirement, it is important and vital that the SCDMH address this issue because it is a vast amount of knowledge that is leaving the agency. The experience that is lost due to turnover, however, is minimal, in that the average years of experience per age group is less than 10 years, with the exception of the Matures, as seen on the chart to the right. The second highest turnover rate is retirement, which is 26%, or 30 nurses. It should be noted that 4% of retired nurses are nurses who reached the end of the TERI Program.

Row Labels	Age Group - Average Years of Service
20-34	0
35-49	1.5
50-64	3.2
65-79	9.3
Average	3.5

The information I received from my interviews with SCDMH nursing leadership was not easily quantifiable, but it was very revealing. Four questions were specific to retention, two questions were addressing recruitment, and two questions were specific to current employee career development. When asked about staff development strategies, it was stated that all nurses are required to meet South Carolina nursing licensing requirements as established by the South Carolina Board of Nursing. Also, nurses that are first-time supervisors or nurses who are new to the agency attend a newly created class entitled Supervisory Mini-Series. In this class, nurse supervisors are trained in multiple areas such as human resources basics (i.e., interviewing and

selection, setting SMART goals, and EPMS process), the role of the supervisor, budget forecasting, and effective writing. As to what strategies are in place to meet individual nurse's needs, the information provided was that there is constant feedback during the rating period for each nurse and that they are encouraged to bring forth any concerns or ideas that they may have.

When asked about what technological changes are being made that make work more efficient, the response was that technology issues have been brought to upper management's attention. Facilities are being remodeled, but technological advancement is not taking place. Specifically, it is a struggle to obtain new equipment because there is no forecasting/budgeting to purchase them. The fourth question centered on retention. SCDMH has a Tuition Assistance Program⁸ and nurses are informed about the program. However, the program is not active due to budget restraints. Another issue of concern is that nurses find it stressful and difficult to work in a mental health environment and thus leave for less stressful work.

With respect to recruitment, nurse leadership was asked what recruitment strategies are being used? The most used recruitment strategy is NEOGOV E-Recruitment (NEOGOV) system. NEOGOV is a system that is used to electronically post vacant job positions and to receive application for the vacant job positions. To attract a qualified pool of candidates, supplemental questions are used to screen and filter eligible candidates based on their answers to the supplemental questions. Another recruiting tool used is job fairs held by universities and other entities. I reviewed several reports as they relate to nursing and schools and found that the pool of nurses graduating from schools is decreasing. This decrease is not due to lower enrollment of qualified students, but instead is due to a shortage of faculty. In 2012, there were 1,159 qualified students who were turned away from baccalaureate and graduate nursing

⁸ SCDMH Tuition Assistance Program.

programs in South Carolina. In 2014, that number decreased to 849 (See footnote 7), but with this decrease in nurse graduates, recruiting on campuses becomes that much more competitive.

When asked about career development for nurses, one response was that SCDMH Nursing leadership understands that career development is important. Nurses are encouraged to participate in courses and training that is provided through SCDMH's Education, Training, & Research (ETR) Program. There is one career development process in which nurses are promoted based on time in service and the results of their annual evaluation. Another issue that was addressed is nurses furthering their education. As stated above, SCDMH has a Tuition Assistance Program that is currently not active. The issue with the use of the Tuition Assistance Program is a nurse can use it to further her education and then leave SCDMH for higher pay.

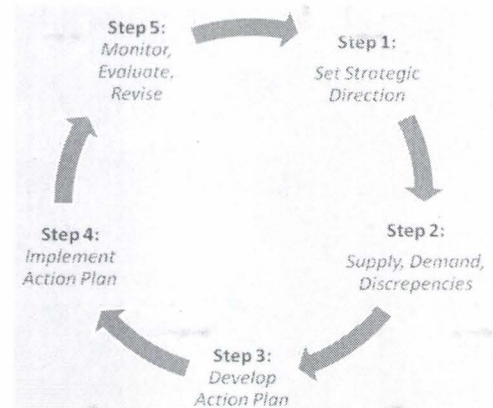
In addition to the above questions, I asked what impact salary has on retention. I asked this question because South Carolina nurses earned an average base salary of \$87,653⁹. At SCDMH, nurses earned an average base salary of \$52,980.09. The response was salary impacts retention and recruiting because nurses leave or do not accept job offers because they can receive a higher salary for doing the same job at another institution.

Implementation Plan

SCDMH nursing challenge will be to establish a strategic workforce planning approach that will focus on planning and preparation beyond Baby Boomers, recruitment, retention, and how to implement the workforce plan. The strategic workforce planning should not take a year, because SCDMH's nursing workforce must plan now for the mass exit of Baby Boomers and bring Millennials in as interns rather than recruiting them after graduation. To help with

⁹ South Carolina Nurse Practitioner salary. <http://www.graduatennursingedu.org/south-carolina/south-carolina-salary/>

workforce planning implementation, many workforce planning modules were reviewed. The United States Geological Survey workforce planning module, which is located to the right, was used as a template.



Step 1: Strategic Direction

SCDMH nursing must identify the short term (1 – 2 year) and long term (3 – 5 year) goal for nursing, such as recruiting and reducing the turnover rate. They must also explore internal and external factors that impact the organization. Internal factors would be those such as budget and financial management, i.e., increasing the average salary for nurses to remain competitive, improving technology for more efficient work and the use of the Tuition Assistance Program once it is funded. External factors would be to obtain funding to increase the average salary of nurses and improve technology. Both factors, of course, will require senior management input.

Step 2: Supply, Demand, Discrepancies

To tackle this section, SCDMH must understand that it has to not only attend career and job fairs for Nursing schools, but it must also understand the nurse supply and demand in South Carolina. SCDMH will need to partner with universities and colleges to get a baseline age distribution of nurses and target each age group. SCDMH must be careful not to use age as a factor, but certainly strive for diversity within its workforce. SCDMH must also assess the total nursing workforce and look for opportunities to transfer institutional knowledge from its aging workforce to its younger workforce by implementing cross-training, desk manuals, and engaging nurses at

all levels in planning for the department. The demand dictates that SCDMH has to look at historical data to understand trends in the workforce. Also, SCDMH will have to stay abreast of changing skills and competencies. In analyzing gaps (discrepancies) in the nursing workforce, SCDMH has to compare short term future workforce (the number of nurses who will retire in the next 4 – 5 years). SCDMH nursing will analyze and prioritize the gaps and develop a plan of action to address the gaps.

Step 3: Develop Action Plan

Here, the SCDMH nursing will need to prioritize the most critical gaps and determine strategies to address gaps. Some gaps that will be prioritized are retention and recruitment, partnering with universities, colleges and other state agencies to fill expected gaps (retirement).

Step 4: Implement Action Plan

SCDMH Senior Management (this includes the agency director, deputy directors and assistant deputy directors) will have to be included to ensure that a successful workforce plan is aligned to meet the needs of nursing and to hold junior leaders accountable for executing the workforce planning strategies.

Step 5: Monitor, Evaluate, Revise

SCDMH nursing has to observe, evaluate and revise the workforce development plan as necessary. If the turnover rate remains unchanged or increases, nursing will have to revisit its retention policy and find out why nurses are leaving SCDMH.

Summary

The information gathered and reviewed for this project revealed that SCDMH nursing must review its recruiting and retention plan. Baby Boomers are leaving the workforce, to include the nursing workforce, in large numbers and the Millennials are entering the workforce

in large numbers. The SCDMH nursing must shift to a more diverse workforce and target Millennials, not when they are out of school, but while they are in school. To move in this direction now, SCDMH must also partner with universities, colleges and other state agencies to get the Millennials to intern while they are still in school and the average salary of nurses at SCDMH must increase. With 59% of its nursing workforce being eligible for retirement in the next twenty years, a shift in SCDMH nursing workforce must be made now.

References

Overview of projections to 2022, *Monthly Labor Review*, December 2013.
<http://www.bls.gov/opub/mlr/2013/article/overview-of-projections-to-2022.htm>

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SCDMH Tuition Assistance Program

South Carolina Nurse Practitioner salary. <http://www.graduatennursingedu.org/south-carolina/south-carolina-salary/>

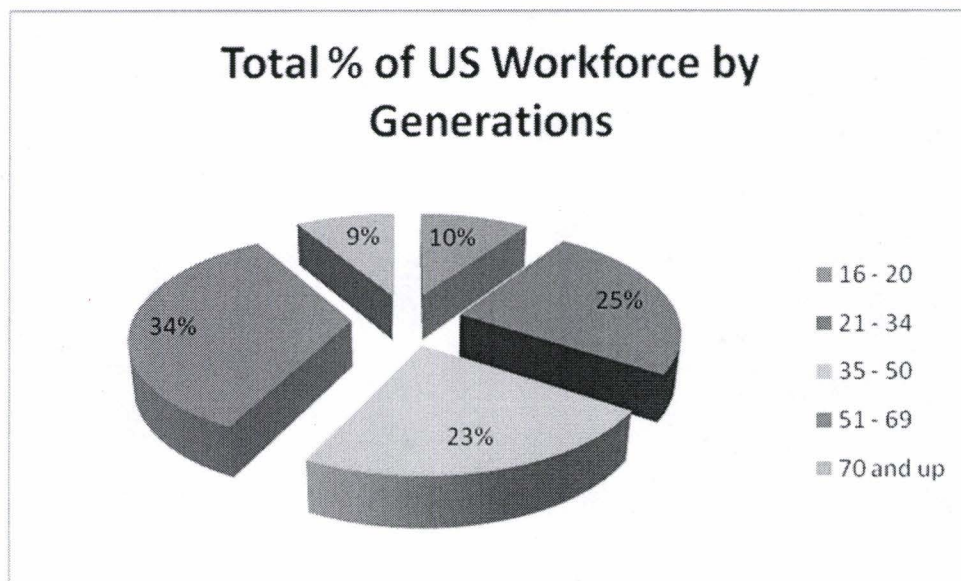
Appendix A

US Workforce [Numbers in Thousands]

Age	Civ Populat ion	Total	% of Population	Total Employed	% of Population Employed	# Unemployed	% of Labor Force Unemployed
6 years and over	249,027	155,521	62.5	147,190	59.1	8,331	5.4
16 to 19 years	16,595	5,395	32.5	4,592	27.7	803	14.9
16 to 17 years	8,894	1,921	21.6	1,609	18.1	312	16.2
18 to 19 years	7,701	3,474	45.1	2,983	38.7	491	14.1
20 to 24 years	22,010	15,270	69.4	13,755	62.5	1,515	9.9
25 to 54 years	124,597	100,685	80.8	95,985	77	4,700	4.7
25 to 34 years	42,359	34,404	81.2	32,452	76.6	1,952	5.7
25 to 29 years	21,404	17,340	81	16,278	76.1	1,062	6.1
30 to 34 years	20,955	17,064	81.4	16,173	77.2	890	5.2
35 to 44 years	39,556	32,382	81.9	30,987	78.3	1,395	4.3
35 to 39 years	19,567	15,982	81.7	15,231	77.8	751	4.7
40 to 44 years	19,989	16,400	82	15,756	78.8	644	3.9
45 to 54 years	42,683	33,899	79.4	32,546	76.3	1,353	4
45 to 49 years	20,435	16,429	80.4	15,759	77.1	670	4.1
50 to 54 years	22,248	17,470	78.5	16,787	75.5	683	3.9

55 to 64 years	40,140	25,695	64	24,718	61.6	977	3.8
55 to 59 years	21,266	15,184	71.4	14,594	68.6	590	3.9
60 to 64 years	18,873	10,510	55.7	10,124	53.6	386	3.7
65 years and over	45,685	8,478	18.6	8,140	17.8	337	4
65 to 69 years	15,559	4,953	31.8	4,783	30.7	170	3.4
70 to 74 years	11,090	2,008	18.1	1,883	17	125	6.2
75 years and over	19,037	1,517	8	1,474	7.7	43	2.8

Age	% of Workforce
16 - 20	10%
21 - 34	25%
35 - 50	23%
51 - 69	34%
70 and up	9%
Total	100%



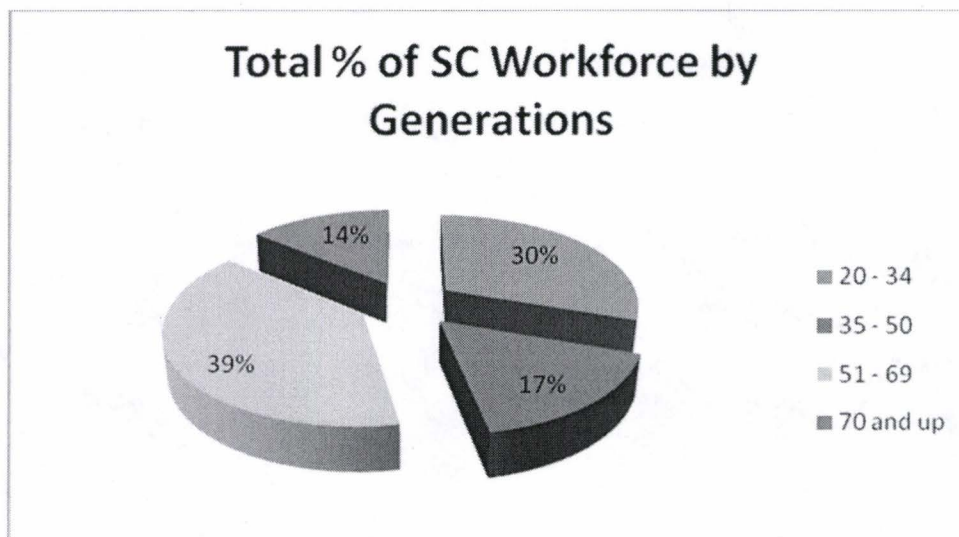
Appendix B

SC Workforce

Total Population:	4,486,210			
Male Population:	2,161,010	Female Population:	2,325,200	4,486,210
Under 5 years:	153,267	Under 5 years:	148,714	301,981
5 to 9 years:	150,115	5 to 9 years:	145,358	295,473
10 to 14 years:	151,605	10 to 14 years:	144,725	296,330
15 to 17 years:	93,306	15 to 17 years:	89,613	182,919
18 and 19 years:	56,929	18 and 19 years:	54,838	111,767
20 years:	29,273	20 years:	29,929	59,202
21 years:	29,239	21 years:	30,454	59,693
22 to 24 years:	85,851	22 to 24 years:	90,073	175,924
25 to 29 years:	141,992	25 to 29 years:	151,182	293,174
30 to 34 years:	135,087	30 to 34 years:	143,765	278,852
35 to 39 years:	139,806	35 to 39 years:	149,982	289,788
40 to 44 years:	144,244	40 to 44 years:	154,550	298,794
45 to 49 years:	157,218	45 to 49 years:	170,141	327,359
50 to 54 years:	153,264	50 to 54 years:	169,086	322,350
55 to 59 years:	140,428	55 to 59 years:	159,904	300,332

60 and 61 years:	53,984	60 and 61 years:	60,508	114,492
62 to 64 years:	77,330	62 to 64 years:	86,675	164,005
65 and 66 years:	43,456	65 and 66 years:	48,081	91,537
67 to 69 years:	57,259	67 to 69 years:	65,030	122,289
70 to 74 years:	69,491	70 to 74 years:	82,154	151,645
75 to 79 years:	48,368	75 to 79 years:	62,313	110,681
80 to 84 years:	29,703	80 to 84 years:	45,608	75,311
85 years and over:	19,795	85 years and over:	42,517	62,312

Age	% of Workforce
20 - 34	30%
35 - 50	17%
51 - 69	39%
70 and up	14%
Total	100%



Appendix C

SC Nursing Workforce

Age	Total	
20 - 24	1183	
25 - 29	5085	
30 - 34	6470	
35 - 39	7272	
40 - 44	7118	
45 - 49	7948	
50 - 54	8655	
55 - 59	6038	
60 - 64	3924	
65 - 69	1245	
70 - 75	415	55353

Age	% of Workforce
15 - 24	2%
25 - 34	21%
35 - 44	26%
45 - 54	30%
55 - 64	18%
65 - 74	3%
Total	100%

